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Podcast Inside SAP S/4HANA - Transcription

Inside SAP S/4HANA Episode 93: Syntax Accelerating High-Performance Batteries and Mobility Customers with Cloud ERP



Markus: Welcome to our podcast Inside SAP S/4HANA. There is no customer success without product success and project success. Today we talk about how SAP partner Syntax accelerates companies around high-performance batteries and mobility business with SAP S/4HANA Cloud, public edition. My name is Markus Oertelt and I'm honored to have Roman Freidel, Global Center of Excellence Leader, Manufacturing Industry and Director Presales from SAP partner Syntax on the show today. Welcome, Roman. How are you feeling today?

Roman: Thank you, Markus. Great to be on your show today! It's pretty warm outside. We have 31 degrees already in 90°F. How is the weather at home where you live?

Markus: It's also very hot. We have about the same temperature today. It rained a little bit this morning, but the temperature is climbing again. Roman, I know you're an expert in driving digital transformation and cloud ERP and digital manufacturing projects. And before joining actually consulting at the Syntax, you worked for an SAP customer, and I know you like NASCAR. What else would you like to share in our beginning?

Roman: Yeah, my background basically starts in manufacturing, so I worked several years for SAP customers, global SAP customers in the automotive sector. I'm a motorsport enthusiast, like watching Formula One yesterday. And then of course, NASCAR is also a passion from my side. And a little secret what I could tell you is this is my first podcast ever and it's a new experience, but I'm also a little bit nervous, to be honest.

Markus: Thanks for sharing, Roman. I did not notice that you were nervous. Maybe before we start to go further into the topic, you can say what Syntax stands for and what actually your company does.

Roman: Thanks. Today's Syntax is a leading managed cloud provider for mission critical applications. With our approach, we would like to act as a boutique at scale with offices worldwide and over a thousand customers across all business segments. Syntax has deep and diversified customer base with long standing relationships.

Markus: Developing companies and manufacturers, we can also call them giga-factories, or high performance battery cells and applications in the vehicle and mobility segment are becoming more and more strategically important in today's world. We can see improvements in charging capabilities, for example, or high temperature stability and safety. Also maybe a lot of OEMs. So the original equipment manufacturers have a big interest in becoming CO2 neutral, at least by 2030 with local production and supply of material with a low CO2 footprint. Can you maybe share your experience with us how you see the market shifting not only from the classical engine to battery cells, but maybe from the overall market perspective?

Roman: So the global demand for batteries are increasing dramatically. If we see the forecast for 2030, it's just rapidly how quick those giga-factories has to, let's say, build up from the greenfield and with a greenfield, I mean, building a new factory, founding a joint venture, etc. Where currently no manufacturing is ever. If we just see how quickly battery cell manufacture was established the last 1 or 2 years, this journey was just the beginning, what we saw. Also what we see, very often is that especially with EV battery cells and module, the time to market is very crucial. What does it mean? So in the past, if we talk about our classical big OEMs, they got long journey production implementations like creating

a new car takes years of development until the series production. With the EV space, we talk about days and weeks and months. We don't talk about years anymore. How is this so different? So big OEMs, what we all know from the whole world, they founding joint ventures in order to start greenfield factories or they change their business dramatically. One of the best example is one of our battery cell projects we've implemented last year. So comparison to the classical project implementation, we could say in average it was maybe six months of sales cycle and then maybe 9 to 12 months of a project implementation. Nowadays we talk about one to two months in sales and just 90 days of the whole project implementation. This was just possible because of a clear, agile approach and focusing on standardization. And why is that very important? If we compare, for example, a typical OEM and how many variations or how many configurations you have in a German premium brand configuration, you can define six rims, 10,000 seat options, etc. If you go to the new EV companies, let's say the car companies, you maybe have ten options. So that means also from that complexity, from the manufacturing process and from those options, they also go back to less complex manufacturing process in order to drive cheap manufacturing and to be more effective for us as a client.

Markus: Maybe you can also give us more insights and the important factor within the organizations we heard at speed, maybe the size of the company.

Roman: Important factor starts within the organization. If you think about a classical OEM with X factories around the globe and very complex processes and integration, the speed is just not within the innovation. Even if the company forgets all the internal topic, it would still not be fast enough. Also, the approach within the battery cell companies is different. One example is that they will focus on their key businesses manufacturing battery cells modules and not running an IT department with 50 or more employees. Currently we have labor shortage and for the future it would not just be right to build up that big IT department just to manage IT systems. Therefore, it's very important to go with software as a service solution in order to be future proofed and out of the box, ready for new requirements what will come from our customers' customers.

Markus: Syntax has great success implementing SAP S/4HANA Cloud, public edition in the high performance batteries market. Now I'm asking myself and probably a lot of listeners, how do you do it? What is your secret that you're so successful?

Roman: I think the secret sauce is our employees and the mindset of our employees. But I would like to give you our five golden rules in order to drive the journey of S/4HANA public cloud implementation. One is, of course, the speed of the implementation by using standard processes, for example, known as best practice or submodel company. This is very important because SAP has over 800 standard best practice scenarios what you could use out of the box. So why do you need to define a special process when there is a standard defined already for you? Second golden rule is you don't have any effort in the upgrades. You don't need to do a five month project in your annual or bi yearly update you will get in the past every quarter. Nowadays you get it every half a year. Some updates and just for example, within the February release SAP gave customers over 600 new features API, new best practices where you as a company can use out of the box. So that means on Saturday there will be the update performed by SAP. And on Monday morning, 8 a.m., you start work and 12 a.m. lunchtime you have the new process maybe already in your production system. I mean, this is now a little bit very easy speaking. The reality looks maybe a little bit different,

but that's how quick it could be achieved. The third topic is that the business value driven implementation of integrations and extensions. So that means we don't need every time an IT colleague for making a specification, for making that additional add on, etc. Because there are a lot of low code, no code add-ons available where you can build your own report, where you can create your own dashboard, where you don't need to make whatever a five day specification and you basically have the job done in four hours by yourself. The fourth option is, of course we could reduce our partner or SAP implementation efforts by reusing the capabilities, the best practice scenarios, because everything what we learn from a customer can be kind like reused, of course not the specific for this company, but the overall achievement of S/4HANA public cloud implementation is basically on the next project, just accelerating because we already know how we've done it. We could reuse the standard documents and can basically accelerate even more. And the last point, we have multiple customer projects already live in less than 90 working days. And this is very important because we have defined within our agile approach that we have a step by step approach in order to hand over the existing features, what the customer, for example, need and to the business, and then continue adding more and more features and functions in regards to the standard best practice scope items. Those five golden rules help us to accelerate, to work with customer to onboard the customer and basically be rapid, fast.

Markus: Perfect, Roman, thanks for sharing those five golden rules. Very impressive. If I look at the most technical challenges in your project, how did you solve them together with your customers and the high performance batteries market? What do you think SAP can still improve for SAP S/4HANA Cloud, public edition in that market segment?

Roman: Looking back five years since S/4HANA, public cloud was available in the old days called Essential now Public as the product name, I think SAP made significant effort and investment to make the product better. If we look back how we started with customers 19 and 20, we have probably no idea how we solve some of those critical things where there was no technical solution there back in the days. Nowadays we just can smile and think about how do we solve it back in the days and there is now a standard solution. Since we started this journey with S/4HANA, public cloud, SAP delivered thousands of new features, APIs, best practices, helps us within all of our customer implementation because every customer who runs on the public option gets this new feature and functions. So that means some application or workaround we have implemented back in the days where we have not a technical solution and maybe now implemented in the standard of the portfolio. And we could right now just basically remove the workaround and use it within the standard. One example is back in the days when we start with our customer Smart Press Shop, there were not PRTs available for the production order. So that means we got a quick workaround and once 21 this feature was available generally for everyone in February. Then we basically just remove the workaround and we use the standard feature in less than two days. And also something where I think that SAP can improve is especially if we're talking about manufacturing companies and we have in Germany a lot of creative manufacturing from ETO, engineering to order, to make to order, to configure to order, all kind of processes are there. And especially if we're talking about high performance batteries, maybe in the beginning there is only one form factor and one battery to prove that you can assemble and manufacture the battery and the quantity. But in a very short term you will get more and more complexity and new form factors where you need an PLM system in order to map the design and of course the manufacturing. And therefore, I would like to point out two things. One is of course the full engineering to order support, where we have other complex and

whip changes etc. And of course one of my favorite features is the external PLM integration. Looking forward to get my hands on the test system to see what will be shipped out with the new release. But this is, let's say, one feature where currently the customer landscape may be gotten SAP PLM may be an external, but now with this feature of connecting external PLMs, we have the full flexibility and process integration from design to manufacturing and later on of course to shipping, like supporting the complete process design to operate.

Markus: Roman, I also learned that at a later phase you implemented SAP Digital Manufacturing. What are the main processes or capabilities that are used with our product and what is the best approach for fast and successful implementation there for the high performance battery industry?

Roman: Thanks that you mentioned SAP DM product. One of our sweet spot is of course the combination of S/4HANA, public cloud in combination with SAP DM and other apps like SAP SAC or QIR. Because we define ourselves as a boutique at scale where we can help our customers with our deep knowledge, especially of integration top floor to shop floor. And very important since we made the journey from the on prem to the cloud world, the UI looks more or less the same. We have Fiori overall within all the apps, so that means unique user experience for a shop floor worker is very important because why do I need to log into five different system if I have one job? We can't explain this to the colleagues, so therefore it's important that maybe an app is in S4 to be executed. The another app, for example, is the DM sector executed. And talking about especially for battery cells in the future, every battery cell company in the world has to follow the battery passport, which is a kind like an ID from the mine to the OEM and back to recycling. So that means it's like your Facebook of the batteries, your diary, everything, what will be assembled, raw material, etc. has to go in. And therefore it's very important because the machine who builds that products with the chemicals, with the raw materials, this will be a high speed production process. So that means there will be no human being interacting, everything will be serialized and all of those data will be collected via the SAP DM application will be then forwarded, of course, to the S/4HANA Cloud in order to have the data for shipping, etc. stored and maybe all the data goes to the X or other battery apps what will be developed nowadays. And therefore it's very important to have the combination to support your enterprise with the S/4HANA public and of course to support your shop floor with the SAP DM.

Markus: You said it nicely, from top floor to shop floor. Let's move from there more on the subject of extensibility. And how do you handle extensibility in your project? Maybe not even only in your high performance batteries project, but also in other SAP S/4HANA Cloud, public edition implementations?

Roman: Something what was a myth in the past and probably still in a lot of brains, basically like engraved, the myth is that S/4HANA public cloud only works for small companies. It's not flexible enough for my needs. We can't modify this. It's not that flexible and modifiable as a classical S4 implementation or also known as S/4HANA Cloud Private Edition. If we talk about this, I think my clear is absolutely different because since last year, especially when SAP released a lot of new and on or extension possibilities, my view is clear: if you want to have a state of the art cloud ERP, there is no way why not put S/4HANA Cloud for your future ERP system. If we're looking to the innovations and the cycles, what SAP put in, I think this would be my horse where I put my money on. If we compare it to NFL, we talked about sports earlier. Markus...

Markus: Yes.

Roman: If we talk about S4, this is Tom Brady, a very good quarterback. You will probably win everything, but S/4HANA Cloud is maybe Pat Mahomes. So that means, yes, he won the Super Bowl. Maybe you throw some interceptions. What means not everything is perfect at the beginning, but every year when we grow, the product will be better and therefore you need some time, some creativity to use some fields what are existing. One example is, for example, if we talk about logistics and we have a fixed handling unit because we have engraved number on our handling units. Problem in the standard is you create a handling unit in the system will automatically create a dynamic handling unit number for us or for the client. How did we help? We basically created a handling unit with the random number, what was created, and we created a planned maintenance equipment number and this planned maintenance equipment number will be fixed every time. And then we map the handling unit and the equipment number together that we have the fixed number, what is engraved at the handling unit physically, and we have the variable number what was generated by the system. So we could use all the standard apps. We have a lookup table for the real engraved number and everyone was happy, so that means customer was happy, we were happy. And this workaround cost us a couple of days of work and let's say brain knowledge and basically it solved exactly customer needs. Nevertheless, we also find out that some of those apps are maybe not just specific for one customer where we put in some Syntax IP in order to help customers to be better, faster, etc. And I would like to point out three apps what we have created in the past and what will be enhanced every quarter, basically with new features and functions. The first one we call it internally Logismo. This is a BTP App what makes every logistics workers day tasks easier. We have created a very intuitive mobile screen optimized for mobile barcode scanners. We use the Fiori, but our big buttons are basically triple size of the normal Fiori buttons, you know, from the UIs. This also helps support by using those device basically driving on a forklift and of course wearing a glove where maybe need bigger buttons because you don't hit the detailed button perfect. The second App is that we have also some customers, they basically after the end of the manufacturing run, they need to confirm the yield and scrap within the SAP DM application. They also need to do the logistics booking and probably also have a quality inspection by the end of the day. So that means the reality would be that you have four apps DM, S/4HANA, EWM and maybe a quality app. What we have done with this small app is that we create a small app you scan this physical hand unit with a barcode, in our case for scanning, then you have a single button of confirming the good parts. If you want to confirm basically a quality, you need to basically check the radio button from value one to value two and also press this button. So that means it's very intuitive also for high speed manufacturing in order to do all the material bookings within the system with basically one scan and one click. The last point is basically integration S/4HANA public cloud within the Microsoft ecosystem. With this, I want to talk about, for example, integration of workflows, approval of transport, approval of budget, etc. Whatever you have as a workflow defined, even we can do the side by side, so that means you can create a record in System A and can confirm or approve or deny this in the software B and then vice versa. And with those, let's say, acceleration package, we combine basically SAP products like SAP DM, like S/4HANA Public Cloud, with Teams, Outlook or other products of the Microsoft Suite.

Markus: Very good. Very impressive. You as a SAP partner, if you had a wish from SAP, or in your opinion, where should invest a lot of its money in SAP S/4HANA Cloud, public edition. What is your point of view?

Roman: I have two wishes. One wishes for all of our customers who listen to podcast and one wish, of course, for SAP. So my wish for all the customers is take that risk to move your existing ERP, whatever it is, an ERP or Non-sap ERP and take the risk to move to S/4HANA public cloud. As I said, this is for me absolutely strategic horse where I would put my money on and then work very closely with SAP and Syntax together to close those gaps or identify those gaps. So we have a lot of projects. We have a very close relationship where we work with the SAP development together to understand what are the gaps, are those gaps on the roadmap? Can we wait one or two releases or can we bring this release onto the SAP roadmap? This is very important because our lessons learned was absolutely that SAP is open to discuss very creatively with the customer, to find also solutions for those gaps and then also solve it within the project lifetime. My second wish for SAP where I hope that SAP invests a lot of money as you as you asked before, Markus. I would like to have complexity reduction. I don't want to talk about products or integration scenarios. Basically, if we talk about scheduling, just scheduling of orders, of parts, of labor, of whatever. There are currently a lot of products in the market SAP or non SAP and currently some of those products have also an overlap or also a feature restriction. My wish for the future is that we simplify or SAP simplify this to make it easier for the customer to jump on and of course for SAP to save development resources.

Markus: Thanks for your feedback. Most of the high performance batteries companies are new to SAP, as there are startups. And how is your feedback from your customers on user experience? Do they like to work in SAP S/4HANA Cloud, public edition?

Roman: If we talk about the, let's say, new customers, I mean, the persons are not new. Even if it's a startup, they are not just hiring young colleagues from the university with no experience. The people have also some experience from their previous job, maybe with or without SAP as an ERP system. And I think the way of getting trained into the S/4HANA public cloud, especially since last August when SAP released the Horizon theme, the way of how to work within the apps and the information comes to you is absolutely different than if you worked in the past with the ECC and you know every T code basically out of the box and you typed it in. So therefore the people demand this new UI. And from my point of view, SAP, especially with the UI, have to be as easy as an Apple iPhone. That means there should not be a manual available because everyone knows intuitive how to work with it. By the way, Markus, have you ever found out if Apple has a manual for their phones?

Markus: That's a good question. I've never used one.

Roman: Because it's that easy. And that's also important for moving forward. It has to be easy. No manuals, no ten clicks that everyone can use it.

Markus: Very good. Let's keep this in mind. Before we come to the end, one last question. If you had one wish, what would it be?

Roman: Thank you, Markus. From my side, no open questions. I basically throw it out a second ago with my manual idea. I think all the investments, what we saw at the Sapphire

also with the new AI integration, I think my last wish would be that if we can combine this new AI technology and the SAP technology to do like: hey SAP, can you show me where I lose money? What is the highest demanding cost center? As one idea and the system shows you exactly: Well, Roman, presale cost center is the highest cost center in the company. You need to look at labor. Just one example. Another idea is, can you please create a report for me with the sales figures of the last quarter? And I would like to point out the top ten customers and the system automatically builds you that report and you just have to say "save".

Markus: Sounds very good! I like your creativity, I like your ideas. I really enjoyed this podcast with you. Thank you so much, Roman, again for your great insights today.

Roman: Markus, thanks also for my side. It was great to talk to you about battery, S/4HANA, Syntax and SAP.

Markus: Thanks, Roman. And as always, feel free to drop us an email via insides4@sap.com and let us know which topics are of your interest. Tune in next time and be Inside SAP S/4HANA.

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